

MASS. ED14.2: T82/Holy./989



THE COMMONWEALTH OF MASSACHUSETTS
BOARD OF REGENTS OF HIGHER EDUCATION



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Compliance Unit
150 Causeway Street, Room 308
Boston, Massachusetts 02114

December 19, 1988

David Bartley, President
Holyoke Community College
303 Homestead Avenue
Holyoke, MA 01040

Dear President Bartley:

We have completed our review of Holyoke Community College's Tuition Retention Program for the period July 1, 1988 to June 30, 1989.

The purpose of our review was to determine whether the methodology and operating procedure relative to Chapter 164 of the Acts of 1988, Tuition Retention, are being executed in accordance with regulations as prescribed by the Commonwealth of Massachusetts Board of Regents of Higher Education.

Our review procedure consisted of the following as they relate to tuition retention:

1. Study and evaluation of methods used for:
 - a. Receipts and Revenues
 - b. Expenditures
2. Review of records to evaluate their completeness and accuracy as reported on MMARS.
3. Other review procedures to test for the college's compliance with applicable laws and regulations that may have a material affect.

CONCLUSION:

Based upon our review, Holyoke Community College has understated Tuition Retention Dollars by \$3,204. Notwithstanding the above, it appears the accounting for fiscal year 1989 tuition retention dollars complied with the Board of Regents Regulations. See attached Exhibit I for detailed audit results.

Sincerely,

Joseph J. Casarano
Joseph J. Casarano
Director, Compliance Unit

cc: N. Eddy
F. Kane
F. Jenifer
Board of Regents

894/16

EXHIBIT I

HOLYOKE COMMUNITY COLLEGE AUDIT RESULTS AND COMMENTS

Field Auditor: J.A.Sampson, Senior Auditor, Compliance Unit
Audit Scope: Fiscal Year 89 Tuition Retention Dollars
Exit Conference Date: December 12, 1989 via telephone
Exit Conference Attendees: N. Eddy, J. Sampson

A. TUITION RECEIPTS:

Total tuition retention dollars calculated, and credited by the college in fiscal year 1989 was \$130,654 on tuition dollars collected of \$1,589,318.

B. TUITION RETENTION CALCULATION:

Our review finds that total tuition retention earned should be \$133,858. The method (computer driven specific identification) used by the college to calculate tuition retention understated revenues for fiscal year 1989. The Computer as initially programmed incorrectly classified waivers subsequently applying tuition retention to non-qualifying waivers and/or not applying tuition retention to qualifying waivers and tuition remission.

Recommendation:

We recommend that the college make an adjustment to the Tuition Retention Account for fiscal year 1990 to recapture the understated tuition retention income of \$3,204 as identified in our review. We also recommend that the system used to compute tuition retention be modified for fiscal year 1990 to correctly identify and assess tuition retention applicable to waivers. If this is not possible, the current methodology should be adjusted to adequately account for variables in the tuition retention system that were not allowed for in the initial computation.

C. REPORTING REQUIREMENTS:

Our review of the college's requirement to submit spending plans to the Board of Regents noted:

- Both the preliminary and final spending plans were submitted to the Board of Regents on a timely basis.
- Both plans were adequate in their breakdown of accounts.

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D. DISBURSEMENTS:

Disbursements conformed to regulations set forth by the Board of Regents of Higher Education. Our compliance test of expenditures showed that no tuition retention dollars were used to support regular "account 01" employees or pay for general plant operations "account 08" as defined in the Commonwealth's list of subsidiary accounts.

E. BOARD APPROVAL:

During our review, we found that required Board of Trustees approval was acquired as prescribed for each spending plan.

